

Update on Cobalt Offtake and Funding Negotiations

Highlights

- **Discussions advancing with several Swiss, European and US based commodity trading groups over the Company's planned production of cobalt and copper concentrates from its Kipushi Cobalt Project located in the Democratic Republic of Congo**
- **UK based Strategic Adviser, Metals Risk Management Limited optimizing concentrate offtake and funding arrangements**
- **High level and indicative production schedules and concentrate specifications provided to these groups as part of a proposed commodity linked debt funding structure**
- **Metallurgical testwork and optimization work on the cobalt and copper concentrate continuing in South Africa**
- **Optimised bulk concentrate samples to now be provided to a number of commodity trading groups to finalise detailed pricing and payment terms**
- **Major Chinese industrial group to also visit site in early August to review potential construction and funding of leaching technology to produce a high value cobalt hydroxide product**

Australian resource and investment company, Cape Lambert Resources Limited (**ASX: CFE**) (**Cape Lambert or the Company**) is pleased to provide an updated on its progress on discussions on its cobalt offtake agreements and commodity linked debt funding for its interest in the Kipushi Cobalt Tailing Projects in the Democratic Republic of Congo.

In June 2017, the Company engaged Metals Risk Management Limited (**MRM**) as its Strategic Adviser (refer ASX Announcement dated 22 June 2017). MRM is an UK based specialist risk advisory company established to provide independent input and advice on the implementation of metals and concentrate offtake agreements and sales and commodity linked funding structures.

Since the appointment of MRM, discussions with several major international trading groups based in Switzerland, the United States and Europe have progressed. These groups include those that had previously submitted indicative and non-binding offers of concentrate offtake and commodity linked funding to the Company and also a number of new trading groups identified by MRM that are seeking to secure the strategic supply of cobalt concentrates in the short term and have also indicated a willingness to support the Company with a commodity linked debt funding structure.

Cape Lambert Resources Limited ABN 71 095 047 920

Corporate - 32 Harrogate Street, West Leederville WA 6007

Cape Lambert Resources Limited (ASX: CFE) is a mineral development company with exposure to iron ore, copper, gold, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

Australian Securities Exchange

Code: CFE

Ordinary shares
833,019,919

Unlisted Options
23,500,000 (\$0.05 exp 18 Dec 2018)

Board of Directors

Tony Sage
Executive Chairman

Tim Turner
Non-executive Director

Jason Brewer
Non-executive Director

Melissa Chapman
Company Secretary

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MRM as the Company's Strategic Adviser has over the past several weeks worked with these groups on the proposed offtake agreement structure and commodity linked debt funding structure and provided them with detailed indicative concentrate production schedules and concentrate specifications in order for these groups to provide detailed pricing and payments terms for the cobalt concentrate.

Concurrent with these discussions the Company has continued metallurgical test work in South Africa aimed at optimizing the recovery and grades of the cobalt and copper concentrate from the Kipushi tailings. As part of this process the Company has agreed to provide a number of samples of the optimised bulk concentrate to the trading groups to allow them to finalise binding and firm commitments of cobalt offtake and related commodity linked debt funding.

The Company is also pleased to advise that following a meeting of the Company's Chairman with senior executives of a major Chinese industrial group in Shanghai in July 2017, representatives of the Chinese group will be visiting the Company's Kipushi Cobalt Project later this month. The group are reviewing the potential construction and funding of leaching technology to treat the Kipushi tailings in order to produce a high value cobalt hydroxide product and copper cathode that will be acquired for sale into the Chinese market. Members of the Board and the Company's technical team will join the representatives of the Chinese group on site in the Democratic Republic of Congo shortly.

Cape Lambert's Executive Chairman, Mr Tony Sage said "The progress that has been made by the Company and our Strategic Adviser with these major international trading groups has been very pleasing, as has been the demand from these groups to receive samples of our proposed concentrate production."

"Finalisation of the offtake agreement and associated commodity linked debt funding is a critical milestone for us, and we need to ensure that we are securing the best possible terms for the Company and its shareholders. Demand for cobalt continues to rise and pricing remains extremely robust and with our very advanced Kipushi Cobalt Project we are well placed to benefit both in the short and long term."

Yours faithfully
Cape Lambert Resources Limited

Tony Sage
Executive Chairman

About Us

Cape Lambert is an Australian domiciled, ASX listed (ASX: CFE), fully funded, mineral development company. Cape Lambert has interests in several exploration and mining companies, providing exposure to iron ore, copper, uranium, cobalt, lithium and lead-silver-zinc assets in Australia, Europe, Africa and South America.

Cape Lambert's strategy is to acquire and invest in undervalued and/or distressed mineral assets and companies (**Projects**) and:

- improve the value of these Projects, through a hands on approach to management, exploration, evaluation and development; and
- retain long-term exposure to these Projects through a production royalty and/or equity interest.

Cape Lambert aims to deliver shareholder value by adding value to these undervalued and undeveloped Projects.

For more information visit the Company's website www.capelam.com.au.